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WASHINGTON, DC -- The U.S. Agency for International Development (USAID) announced today that two individuals pled guilty to crimes involving the Central Asian-American Enterprise Fund (CAAEF). CAAEF, which is funded by USAID, supports private sector development in Central Asia. The investigation was conducted by the USAID Office of Inspector General, the Federal Bureau of Investigation, and the Criminal Fraud Section of the Department of Justice.

Mr. Patrick M. Dickey pleaded guilty to conspiracy to defraud the United States, government program fraud, and wire fraud. Mr. Richard G. Pitchford pleaded guilty to conspiracy to defraud the United States, government program fraud, and violating the Foreign Corrupt Practices Act.

Between December 1996 and March 1998, Mr. Dickey, country manager in Uzbekistan, and Mr. Pitchford, country manager in Turkmenistan, illegally diverted in excess of \$600,000 from CAAEF projects. The scheme involved artificial and fraudulent inflation of contracts with subsequent kickbacks.

The CAAEF was created in 1994 and was wholly funded by an appropriation from the United States Congress. The appropriation was transferred to the CAAEF in the form of a grant from USAID. CAAEF provides technical assistance, loans and investments in small and medium-sized enterprises in Central Asia.

Sentencing for both individuals is scheduled for November 22, 2002.